

Report of the Comptroller and Auditor General of India on

Public Sector Undertakings
(Social, General and Economic Sectors)

For the year ended 31 March 2012

Government of Punjab

Report No.__of the year 2012-13

TABLE OF CONTENTS

Description Reference (e to		
_	Paragraphs	Page/		
		Remarks		
Preface		i		
Chapter-1 Introduction				
Executive Summary		1-2		
Overview	1.1-1.3	3		
Audit mandate	1.4-1.6	3-4		
Investment in the State PSUs	1.7-1.9	4-5		
Budgetary outgo, grants/subsidies, guarantees	1.10-1.12	5-6		
and loans				
Reconciliation with Finance Accounts	1.13-1.14	6-7		
Performance of the PSUs	1.15-1.21	7-9		
Arrears in finalisation of accounts	1.22-1.27	9-11		
Winding up of non-working PSUs	1.28-1.30	11-12		
Accounts comments and internal audit	1.31-1.36	1216		
Recoveries at the instance of Audit	1.37	16		
Status of placement of Separate Audit Reports	1.38	16-17		
Disinvestment, privatisation and restructuring	1.39	17		
of PSUs				
Chapter-2 Performance Au	ndit			
2.1 Performance Audit on the working of		Transmission		
Corporation Limited"	n Tunjab State	1 I ansinission		
Executive Summary		19-20		
Introduction	2.1.1-2.1.2	21-22		
Scope and Methodology of Audit	2.1.3	22		
Audit Objectives	2.1.4	23		
Audit Criteria	2.1.5	23-24		
Audit Methodology	2.1.6	24		
Brief description of transmission process	2.1.7	2425		
Audit Findings	2.1.8	25		
Planning and Development	2.1.9-2.1.10	25-28		
Project management of transmission system	2.1.11 to 2.1.13	29-37		
Performance of transmission system	2.1.14 to 2.1.22	37-43		
Grid Management	2.1.23 to 2.1.30	43-48		
Energy Accounting and Audit	2.1.31	48-49		
Financial Management	2.1.32 to 2.1.33	49-53		
Material Management	2.1.34 to 2.1.36	53-56		
Monitoring and Control	2.1.37 to 2.1.40	56-58		
Conclusion		58		
Recommendations		59		
2.2 Performance Audit on the working o	f "Punjab Small	Industries &		
Export Corporation Limited"	,	<u> </u>		
Executive Summary		61-62		
Introduction	2.2.1	63		

Scope and methodology of audit	2.2.2	63-64
Audit Objectives	2.2.3	64-65
Audit Criteria	2.2.4	65
Audit findings	2.2.5	65
Financial Position and Working Results	2.2.6	66-67
Development of Industrial Focal Points	2.2.7	67-70
Irregularities in revision of reserve price	2.2.8	70-71
Non compliance of terms and conditions of	2.2.9	71-74
allotment		
Non enforcement of zoning/ building bye-	2.2.10	74-75
laws	0.0.11	75.75
Non implementation of Telecommunication	2.2.11	75-75
Policy Maintanana of Facel Paint	2.2.12	76.79
Maintenance of Focal Point	2.2.12	76-78
Reconciliation of funds released to Collector	2.2.13	78-79
Land Acquisition	2 2 14	70.90
Recovery from allottees	2.2.14	79-80
Working of emporia Procurement and distribution of raw material	2.2.15	80-81
Export Promotion – ASIDE SCHEME	2.2.16 2.2.17	81-82 82-85
	2.2.17	85
Execution of Deposit works Internal audit and internal controls	2.2.18	86
Conclusion	2.2.19	86-87
Recommendations		87
Chapter-3		07
Thematic Aud	lit	
Punjab State Power Corporation Limited		
Loss due to non-installation of lightning	3.1	89-90
arrestors		
Punjab State Grains Procurement Corporat	ion Limited and Pur	njab State
Civil Supplies Corporation Limited		
Loss due to non compliance of instructions of	3.2	90-91
Food Corporation of India		
Chapter-4		
Audit of Transac	tions	
Government Companies		
Punjab State Power Corporation Limited		
A '111 1	4 1	00 04
Avoidable loss	4.1	93-94
Non-recovery of concessions granted to an	4.1 4.2	93-94 95-96
Non-recovery of concessions granted to an ineligible firm	4.2	95-96
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash	4.2	95-96 96-98
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure	4.2 4.3 4.4	95-96 96-98 98-100
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers	4.2 4.3 4.4 4.5	95-96 96-98 98-100 100-101
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers Excess payment of price variation charges	4.2 4.3 4.4 4.5 4.6	95-96 96-98 98-100 100-101 101-103
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers Excess payment of price variation charges Failure to enforce the warranty clause	4.2 4.3 4.4 4.5 4.6 4.7	95-96 96-98 98-100 100-101
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers Excess payment of price variation charges Failure to enforce the warranty clause Punjab State Grains Procurement Corporation	4.2 4.3 4.4 4.5 4.6 4.7 ion Limited	95-96 96-98 98-100 100-101 101-103 103-105
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers Excess payment of price variation charges Failure to enforce the warranty clause Punjab State Grains Procurement Corporation Embezzlement of paddy	4.2 4.3 4.4 4.5 4.6 4.7 ion Limited 4.8	95-96 96-98 98-100 100-101 101-103 103-105
Non-recovery of concessions granted to an ineligible firm Non recovery of arrears of dry fly ash Unfruitful expenditure Avoidable damage of two power transformers Excess payment of price variation charges Failure to enforce the warranty clause Punjab State Grains Procurement Corporation	4.2 4.3 4.4 4.5 4.6 4.7 ion Limited	95-96 96-98 98-100 100-101 101-103 103-105

Punjab Agro Foodgrains Corporation Limited			
Non recovery	4.10	108-109	
Avoidable extra expenditure	4.11	109-110	
Loss due to non recovery of interest/	4.12	111-112	
waiver of interest clause			
Punjab State Bus Stand Management Company Limited			
Favour to a contractor	4.13	112-113	
Statutory corporations			
Punjab Financial Corpration			
Short recovery of one time settlement account	4.14	113-115	
General			
Follow up action on Audit Reports	4.15	115-117	

Annexures

Sl.	Particulars	Reference to	
No.		Paragraph	Page No.
1	Statement showing particulars of paid up capital, loans outstanding and manpower as on 31 March 2012 in respect of Government companies and Statutory corporations	1.7	119-125
2	Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised	1.15, 1.24, 1.29 and 1.36	126-131
3	Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2012	1.10	132-133
4	Statement showing investment made by State Government in PSUs, whose accounts are in arrears	1.25	134-136
5	Statement showing financial position of Statutory corporations	1.15	137-140
6	Statement showing working results of Statutory corporations	1.15	141-144
7	Statement showing voltage-wise capacity additions planned, actual additions and shortfall during five years up to 2011-12	2.1.10	145
8	Statement showing time overrun and cost overrun in respect of transmission lines and substations	2.1.11	146
9	Financial Position and Working Results	2.2.6	147-48

10	Statement showing number of Industrial Plots allotted/ remained unallotted during 2007-08 to 2011-12 and allotments made during 2011-12	2.2.7 and 2.2.7.2	149-151
11	Statement of unallotted Residential Plots during 2007-08 and 2011-12	2.2.7.3	152
12	Statement showing status of plots allotted by the Company as on 31 March 2009	2.2.9.1	153-154
13	Statement showing surplus funds lying with Collector Land Acquisition	2.2.13	155
14	Statement showing emporia wise Profit/ Loss during 2007-08 to 2011-12	2.2.15	156
15	Statement showing loss due to damage of distribution transformers due to lightning during 2009-10, 2010-11 and 2011-12	3.1	157-158
16	Statement showing excess payment of price variation charges in purchase of metal meter boxes	4.6	159-160
17	Statement showing paragraphs/ reviews for which explanatory notes were not received as on 30 June, 2012	4.15.1	161
18	Statement showing department wise break up of Inspection reports/Paras outstanding as on 30 June 2012.	4.15.3	162
19	Statement showing the department wise draft paragraphs/performance audit reports replies to which are awaited.	4.15.3	163